POLLUTION PREVENTION IN PERMITTING PROGRAM (P4)

Introduction

The Pollution Prevention in Permitting Program (P4) is a U.S. EPA initiative that responds to the Clinton Administration's call to reinvent government. Through structured pilot projects, P4 participants have focused on exploring innovative ways to reduce air pollution while enhancing source operational flexibility. Overall, P4 participants have expressed enthusiasm for project achievements to date. These accomplishments include:

- six practically enforceable Title V permits that meet all substantive and procedural requirements;
- pollution prevention conditions that promote recognition, evaluation, and implementation of pollution prevention (P2) opportunities; and
- flexibility conditions which support rapid, cost-effective operational change and create lower administrative burdens for both sources and permitting authorities.

The success of P4 is also evidenced by P4 sources hoping to establish similar P4 permits for other facilities, and permitting authorities beginning to incorporate P4 concepts into standard operating procedures. P4 has also received support from public interest groups including the Natural Resource Defense Council and the Sierra Club. Representatives from industry, EPA, local permitting authorities, and environmental interest groups agree that P4 works. P4's success is tied to four main factors:

- **Sources and environmental agencies engage in creative, team-oriented problem solving**.

  At the core of each successful P4 initiative is the partnership that evolves between industry, local permitting authorities, and EPA. The P4 process relies heavily on the willingness of each stakeholder to exchange ideas openly and explore new approaches. As well, by working together in permit development teams, each stakeholder has an opportunity to present their Title V and P2 needs. These identified interests create a focal point for the permit development process.

- **Sources and environmental agencies identify common permitting "needs."**

  Regulatory agency P4 permitting needs may include:

  - **Reducing agency administrative burdens** associated with source permitting, while continuing to meet all procedural and substantive regulatory requirements, and ensuring practical enforceability;
  - **Encouraging pollution prevention** by identifying existing regulatory barriers that may discourage P2, and seeking ways to integrate P2 into permitting processes most effectively;
  - **Encouraging economic growth** by demonstrating effective, flexible Title V air permitting techniques that can help maintain economic viability for existing industries, and if desired, attract new industries to the area, while maintaining or improving environmental quality.

  P4 source permitting needs may include:

- **Meeting operational objectives** and maintaining economic viability by (1) sustaining rapid market responsiveness; (2) constantly increasing production efficiency; and (3) minimizing the "risk" of doing business, including the need to predict future regulatory requirements and costs;
- **Meeting operational requirements** with a Title V permit that has enough flexibility to allow them to engage in continuous modifications to material inputs, product outputs, equipment, equipment configurations, and operating parameters with minimal air permitting unpredictability and/or administrative delay;
- **Obtaining regulatory credit for pollution prevention** and enhancing the inherent production efficiencies associated with pollution prevention, by researching and implementing additional P2 activities.

While regulatory agency and source needs may appear different on the surface, at the root of these permitting exercises are common, inter-dependent objectives that together, help facilitate desirable permitting results. While regulatory agencies would like to "streamline" permitting processes to reduce administrative burden, P4 sources would like to streamline permitting processes to help meet operational objectives in a rapidly changing market environment. As well, because a source's success in increasing production efficiency can result in pollution prevention gains, a permit that encourages resource productivity enhancements and clears the regulatory path to pollution prevention gains can also help to meet common source and agency goals. Though approaching the permitting task from different perspectives, P4 teams have found that fundamentally, these perspectives have a common purpose that can facilitate the development of P4 solutions.

- **Solutions begin by first identifying regulatory "barriers."**

Although local permitting frameworks differ, at the heart of most air permitting strategies is the employment of case-by-case regulatory review of new source construction and modifications that occur at the source. For sources that do not make frequent changes, this can be an effective strategy for ensuring that the most up-to-date control technology and compliance mechanisms are implemented. However, for sources that rely on rapid production turnover and constant process changes to maintain market competitiveness, this strategy potentially can turn into a regulatory environment of constant permit revisions, unpredictable regulatory determinations, administrative encumbrances, production delays, and possibly, reduced market competitiveness. Similarly, P2 advances can also be inhibited either by burdensome administrative processes (P2 "disincentives"), or an inability to receive regulatory "credit" for P2 that does take place. For agencies, the administrative costs and delays of permitting this "type" of source can be substantially greater as well. However, because changes occur so frequently, the net environmental benefit of case-by-case review may be less dramatic, while the potential opportunity cost associated with inhibiting P2 can be high.

- **Creative solutions overcome perceived regulatory barriers to meet all stakeholder needs.**

Through the P4 process, solutions ultimately are formulated by identifying where flexibility exists within the regulatory structure and where this flexibility can be leveraged to address perceived

regulatory barriers. This collaborative analysis results in a "P4 Package" that effectively meets identified source and agency Title V permitting and P2 needs. This package can include:

- **advanced/conditional approval** of source construction and/or modifications, subject to environmentally protective conditions;
- **"dynamic" compliance demonstration** mechanisms that streamline administrative procedures and result in more practical, cost-effective processes;
- clear **"non-applicability" conditions** that, under specific conditions, restrict source activities to ensure that regulatory program requirements are not triggered; and
- increased **pollution prevention opportunities**, including the use of P2 to meet regulatory requirements; streamlining the regulatory response to P2 activities, using P2 offsets to support flexibility, and linking P2 Program implementation to operational flexibility conditions.

Ultimately, each P4 team creates the most effective package of permit writing tools that best meets their regulatory and source situation. Through this, teams often have found that single solutions can meet multiple goals. For example, by focusing on source operational needs to sustain rapid market responsiveness, the streamlined permit solution, whether pre-approved construction or "non-applicability," also results in significantly streamlined administrative processes for the permitting authority and EPA. Likewise, streamlined permit provisions that facilitate changes designed to enhance a facility's resource productivity can work hand-in-hand with designated P2 opportunities to help ensure that constant improvements in the source's environmental profile are occurring. This potentially leads to greater long-term environmental protection, and satisfies multiple stakeholder requirements.

The promising results of P4 to date have encouraged further work designed to ensure each EPA region has the opportunity to participate in a P4 project, to test new source situations and regulatory structures, and to help streamline the P4 process through expanded education and outreach activities. Ultimately, the goal of this phase is to stimulate nationwide application of P4 concepts, and in turn, the broad realization of P4 benefits.

FOR MORE INFORMATION ABOUT P4...

If you have additional questions about the P4 initiative, contact one or both of the following P4 Project Coordinators: **Dave Dellarco**, EPA Region 10, at 206/553-4978; or **Michael Trutna**, EPA OAQPS, at 919/542-5345.